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SIPDIS

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SUBJECT: EU UNEMPLOYMENT UP TO 7.0 PERCENT; EURO ZONE RATE STABLE
AT 7.5 PERCENT

¶1. SUMMARY. The aggregate unemployment rate for the EU-27 reached 7.0 percent in September 2008 (up from 6.9 percent in August 2008), according to data published by the EU Commission's Statistical Office (EUROSTAT) on October 31. Unemployment in the euro zone (EU-15 participating in the euro) was stable at 7.5 percent in September 2008. The overall picture of stability nevertheless concealed an increase in the number of unemployed in several EU countries, reflecting a deterioration of the labor market situation that is likely to be confirmed in the months to come. END SUMMARY.

¶2. With seasonal adjustment and compensation for differences in national statistical methods, the unemployment rate for the EU-27 stood at 7.0 percent in September 2008, up from 6.9 percent in August 2008 and unchanged in comparison with September 2007. The unemployment rate for the euro zone stood at 7.5 percent in September 2008, unchanged from August 2008 but up from 7.3 in September 2007 (comparison based on the EU-15; euro zone membership effective since January 1, 2008).

¶3. The lowest monthly rates among those compiled by EUROSTAT from the EU-27 for September 2008 were recorded in the Netherlands (2.5 percent) and Denmark (2.9 percent). The highest rates were recorded in Spain (11.9 percent) and Slovakia (10.0 percent).

¶4. EUROSTAT noted that seventeen countries among the EU-27 recorded a decrease in their unemployment rate over a year, nine an increase and one remained stable. The most significant decreases (September -to-September comparison) occurred in Poland (from 9.0 percent to 6.5 percent) and Austria (from 4.5 percent to 3.2 percent), while the highest increases occurred in Spain (from 8.3 percent to 11.3 percent) and Ireland (from 4.6 percent to 6.6 percent).

¶5. Based on EUROSTAT estimates, male unemployment reached 6.6 percent in September 2008 for the EU-27 and 6.9 percent for the euro zone, up 0.2 percentage point and 0.4 percentage point respectively when compared to September 2007. The female unemployment rate over the same period reached 7.4 percent for the EU-27 and 8.2 percent for the euro zone, minus 0.2 percentage point and recording no change respectively over the twelve-month period.

¶6. Unemployment rates among young people under 25 for September 2008 ranged from 5.3 percent in the Netherlands and 6.0 percent in Austria to 25.9 percent in Spain. The September 2008 rate for this age group was estimated at 15.3 percent for both the EU-27 and the euro zone, compared to 15.0 percent (plus 0.3 percentage point) and 14.5 percent (plus 0.8 percentage point) respectively for September 2007.

¶7. EUROSTAT estimated that 16.710 million were unemployed in the EU-27 in September 2008 (11.691 million in the euro zone). In absolute numbers, the number of unemployed increased

by 132,000 for the EU-27 and by 507,000 for the euro zone over the twelve-month period.

18. Following is the breakdown of unemployment rates in ascending order for the individual EU member states:

(Seasonally-adjusted)

(September 2008 unless otherwise indicated)

Netherlands	2.5
Denmark	2.9
Austria	3.2
Cyprus	3.8
Slovenia	4.1
Estonia	4.2
Luxembourg	4.2
Czech Republic	4.3
Lithuania	4.6
Bulgaria	5.6
Malta	5.6
UK	5.6 (July 2008)
Romania	5.9 (second quarter 2008)
Sweden	6.1
Poland	6.5
Finland	6.5
Belgium	6.6
Ireland	6.6
Italy	6.8 (second quarter 2008)
Latvia	6.8
Germany	7.1
Portugal	7.3
Greece	7.5 (second quarter 2008)
France	7.9

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Hungary	7.9
Slovakia	10.0
Spain	11.9
Euro zone	7.5
EU-27	7.0

19. The monthly rates and numbers of unemployed are estimated and based on data from the EU labor force survey. The estimated rates may differ from national unemployment rates due to differences in methods and definitions of unemployment. Unemployed people according to ILO criteria are those aged 15 and over who:

-- Are without work;

-- Are available to start work within the next two weeks; and

-- Have actively sought employment at some time during the previous four weeks.

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